

## VANDERLIP HAS PLAN TO FINANCE EUROPE

New York Banker Proposes International Bank and Gold Reserve.

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Central Europe's financial ills are curable by an international gold reserve bank, declared Frank A. Vanderlip of New York, who has worked out a detailed plan for the establishment of such a financial institution as a result of an investigation in twelve European countries. He proposes the establishment of a superbank with a capital stock of \$1,000,000,000 gold and branch national gold banks in the countries desiring them. The exchange between nations would be on a dollar basis.

"The plan was presented at the request of a considerable number of persons in authoritative government positions, who asked me for suggestions designed to form a stable currency," Mr. Vanderlip said. "It was not presented as an American proposition, but it was the prescription which I would recommend for the currency sick countries of Europe. I do not pretend to speak with authority whether so huge a sum as \$1,000,000,000 could be raised, but my individual belief is that the plan is a sound banking measure, and if the nations of central Europe desire to adopt it there is a fair probability that the capital would be subscribed. But there is no probability of the initiative being taken by capital."

### Not a Panacea.

"The plan is not a universal panacea for the ills of Europe. It will not balance budgets when expenditures are extravagant and taxation insufficient. It would, however, offer some firm financial ground to stand on, on which reconstruction of European finances."

The plan involves a bank organized "not under the laws of any particular country." Its corporate existence might be created through the League of Nations or in some way that raised it above any particular nationality. Mr. Vanderlip said in a statement.

Mr. Vanderlip anticipates that the bulk of the initial subscriptions would be from America, but provides for an issue of stock in two classes—American and European. The former would be subject to retirement by call at 120.

The bank's affairs would be ruled by nine trustees, five of whom would be American. It would have a gold reserve and the national banks would deal solely with commercial banks and not individuals. It would make loans only against collateral to an amount equal to 150 per cent. of the loan made. This collateral would be short-term commercial paper of not over ninety days, and strictly of a character known as self-liquidating paper. The bank would be empowered to issue circulating dollar notes, always with gold to cover 20 per cent. The central bank would pay 8 per cent. dividend upon the stock of the branch national banks.

### Prescription for Europe's Ills.

WARSAW, Oct. 26. (Associated Press).—Plans for the establishment of the "Bank of the United States and Europe," which would have a capital of \$1,000,000,000, were presented to President Pilsudski, former Minister Skirmunt and Minister of Finance Michalski by Frank A. Vanderlip. "I am not offering a panacea," said Mr. Vanderlip, "but I am a doctor offering a prescription in aid of central Europe. The success of the undertaking would be possible only if several countries of their own initiative should invite a group to organize such a bank."

## REICHSTAG BACKS WIRTH'S CABINET

Chancellor Announces Ministry and Confidence Is Voted by 230 to 132.

BERLIN, Oct. 26. (Associated Press).—The Reichstag this evening voted confidence in the new Ministry of Dr. Wirth, the composition of which was announced to-day. The vote was 230 against 132. The majority was made up of Majority Socialists, Independent Socialists, Centrists and Democrats. Dr. Wirth remains Chancellor in the new Ministry.

In his announcement to the Reichstag of the new Cabinet Chancellor Wirth declared that the new Government's "viewpoint regarding Upper Silesia differs in no way from that of the preceding Government." He declared the German Government would protest against the recent decision of the council of the League of Nations concerning Upper Silesia on the ground of the illegality of the Allied Supreme Council's having referred the question to the League of Nations. This procedure, he said, was not provided for by the Treaty of Versailles. The new Ministry is constituted as follows:

Chancellor and Minister of Foreign Affairs, Dr. Wirth; Vice-Chancellor and Minister of the Treasury, Gustave Adolf Bauer; Socialist; Minister of the Interior, Adolf Koester; Socialist; Minister of Defence, Herr Gessler; Democrat; Minister of Economics, Robert Schmidt, Socialist; Minister of Food and Interim Finance, Andreas Hermes; Minister of Posts and Telegraphs, Johann Giesberts, Centrist; Minister of Labor, Dr. Heinrich Braun, Centrist; Minister of Communications, Herr Groener; no party; Minister of Justice, Herr Radbruch; Socialist.

The "Cabinet of a Predicament," so named to distinguish it from the "Cabinet of Fulfillment," which Chancellor Wirth headed last May, was late in reaching the Government bench in the Reichstag this afternoon. Up to five minutes before 4 o'clock the Cabinet still lacked a Minister of Finance. Andreas Hermes, the Minister of Food, then decided to take on the added duty of Finance, and will now divide his time between administering the task of both portfolios.

Although it was announced that the post of Minister of Reconstruction would temporarily remain unoccupied, it is generally believed that Walter Rathenau will resume his old post within eight days. His retirement for the present is explained as being due to Democratic scruples. The Liberal party, which yesterday bolted the coalition, is said not to desire to create the impression that it was actively identifying itself with the present ministry by permitting Dr. Rathenau to remain a member of it. Chancellor Wirth has announced that the retention of Dr. Rathenau was a condition to his forming a new Cabinet.

Although Herr Gessler, Minister of Defence, also ranks as a Democrat, his retention of the portfolio was due to pressure by President Ebert, Dr. Wirth and others, who were of the belief that the War Ministry was the one Governmental department which should not be exposed to the effects of the present crisis. Herr Gessler now holds office without being accountable to his party.

## PAPER CO. DENIES HIRSHFIELD ATTACK

Never Had Mills on the Beaver River, Says President of the International.

THE NEW YORK HERALD yesterday received the following communication from P. T. Dodge, president of the International Paper Company:

"In your issue of October 24 David Hirshfield, Commissioner of Accounts, is credited with certain statements reflecting on the International Paper Company which are without any foundation in fact."

"He states that the International Paper Company has pulp mills on the Beaver River. The International Paper Company has not now, and never did have any mill or mills on the Beaver River, or any interest direct or indirect in such mills. He quotes the New York World of January 29, 1904, as stating that the International Paper Company had pulp mills on the Beaver River, and along about 1896 discovered that by building a dam it could float logs to such mills."

"The truth is that at the date stated the International Paper Company was not in existence, was not incorporated until two years after the date named, and at that time had no interest whatever in the Beaver River or the Black River."

"So far as known by the International Paper Company, the New York Tribune has never used any paper made in that part of the State, and the owners of the Tribune could have had no possible in-

terest in the exploitation of the Beaver River."

"Mr. Ogden M. Reid of the Tribune has been a director of the International Paper Company for less than three years and could have had no possible knowledge of or connection with the matters named."

"Mr. Hirshfield's attempt to interweave the interests of the newspaper and the paper company is an anachronism by some twenty years or more. Furthermore, the International Paper Company has no interest in the political situation. Mr. Hirshfield had no justification whatever in connecting the International Paper Company with the Adirondack projects to which he refers."

## MINGO OPERATORS WILL DROP UNION CONTRACTS

Concerted Movement to Fight Closed Shop.

WASHINGTON, Oct. 26.—Decision of many West Virginia mine operators to refuse next spring to reenter into wage contracts with their employees' unions was announced to-day to the Senate committee investigating conditions in the West Virginia fields. The statement was made by Ernest

M. Merrell, a Charleston mining engineer and operator, who said a concerted move was under way to fight the closed union shop when the time for renewal of wage contracts arrives April 1.

Disclosure of the operators' plans came after A. E. Hester, a former union organizer, had testified that, acting under orders of representatives of the United Mine Workers, he had turned over strike relief benefit funds to union men for the purchase of guns prior to the recent disorders. Hester asserted that he had handled between \$3,000 and \$4,000 of such funds in that way.

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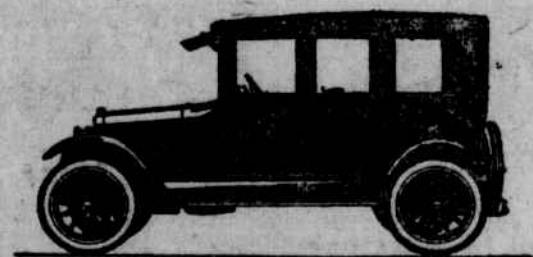
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